

Guaranteed Health Benefits Plan

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(SB 6603/HB 2640)

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Senate Health and Long Term Care SHR 4

(Editor's Note: These are Mike Kreidler's prepared remarks; they weren't necessarily read verbatim.)

Thank the committee...

Our health care crisis is a multi-faceted problem that no single proposal will solve.

A lot of good work is underway on two of these problems – “controlling costs” and improving “quality of care.” I applaud those efforts.

But more needs to be done on “access” to health care.

- Just ask the 700,000 uninsured in our state who have no health care coverage.
- Or the 1 in 4 people who have insurance – but don't have enough to cover major medical expenses in a health crisis.
- Or the hospitals and other providers in WA ST who in 2006 had to cover \$600 million in “uncompensated care.” More than ½ a billion dollars in health care that was delivered, but no one paid the bill – directly. Other payers in the system pick up the tab indirectly.

This is simply unsustainable.

What I am proposing

I am proposing health insurance reform that would guarantee people in our state have coverage in a health crisis.

It offers peace of mind and a guaranteed level of financial security for all Washingtonians.

How my Guaranteed Health Benefits Plan Works

- Catastrophic coverage for health emergencies over \$10,000 a year.
- Key preventive care – immunizations, cancer screenings, and an annual checkup.
- People choose the additional coverage they want to buy for more routine health care at a more affordable price.
- ALL of this insurance – catastrophic and routine health care – will continue to be offered by private health insurers.
- Consumers continue to have choice – choice of health plans and doctors.

Who is eligible

- Every person who is a permanent resident in WA ST for at least six months will get the guaranteed coverage I propose.
- For residents new to state after the law takes effect – there also would be a 12-month waiting period for pre-existing conditions.
- It covers all residents up to age 65 – when they are Medicare eligible.

Redistributing the costs – more broadly

- Everyone receives health care today – but not everyone is paying.
- The issue is not whether there's enough money in the health care system. We need to spend it smarter and fairer.
- I am not proposing a “single-payer” system... or “government-run” health care. We are not Canada.
- The same three payers in the system today will be the same three payers tomorrow – individuals, employers, and government.
- By focusing on catastrophic coverage, we focus on the highest risk and highest cost in health insurance. Up to 40 cents of every premium dollar today is dedicated to catastrophic care.
- I propose to fund that more broadly through a shared payroll assessment:
 - 1% of an employee's wages.
 - 3 to 5 % of the employers' gross wages based on a sliding scale.
 - Small businesses would pay less than large businesses.
 - Financial modeling will verify whether this formula will generate the appropriate level of financing
- This is what I specify in the legislation – but there's a lot of room for debate.
- I'm open to different funding options – that are fair and broad-based.

Benefit details

- A Guaranteed Benefits Board would define the specific schedule of benefits.
- The Governor would appoint a 9-member board including representatives business (small and large)... labor... insurance carriers... health providers... and the public.

This also supports other health care reforms underway

...Such as the work of the Blue Ribbon Commission.

- Under my proposal, a plan would be created to reward health outcomes based on evidence-based standards of care.
- Along with a plan for administrative cost savings plans and incentives.

What I am asking for us robust debate – and giving the public a voice.

- The debate shouldn't start and stop today.
- To those who are simply critical – I say offer alternatives. Let's talk about it.
- Finally, any plan must allow voters to have their say. What is ultimately negotiated needs to go on the ballot.

Thank you.